

Basic Elements of the BiPartisan Medicare Plan

Immediate Savings for Seniors through Prescription Drug Discount Card:

- Available within six months of becoming law for 2004-2005
- Swipe card used at point-of-purchase for upfront discounts
- Provides significant, immediate savings up to 25% off what seniors currently are paying, according to HHS

Universally Available Prescription Drug Benefit:

- Guaranteed Benefit begins in 2006
- Voluntary, so seniors can choose to participate if they want
- Option available for seniors to simply add drug coverage to traditional fee-for-service Medicare without any loss of current benefits
- \$35 monthly premium, \$250 annual deductible
- Medicare pays 75% of drug costs up to \$2,250
- Catastrophic Coverage guarantees Medicare pays 95% of drug costs over \$3,600 a year
- Provides significant savings up to 50% off what seniors currently without coverage are paying today, according to HHS

Low-Income Assistance to Help Neediest Senior Citizens:

- Comprehensive coverage for low-income single seniors with annual income under \$12,900 and low-income senior couples under \$16,600
- In 2004-2005, \$600 annual subsidy combined with Rx Discount Card savings to help cover out-of-pocket costs
- Beginning in 2006, Comprehensive Pharmaceutical Coverage, with no gap, for \$1 generic up to \$5 name-brand prescription co-payment

Preventive Care & Disease Management:

- Free "Welcome to Medicare" Physical Exam to learn upfront a senior's health status and future care needs
- New Cholesterol and Blood Lipid Screenings added to basic benefits
- New Disease Management programs to keep seniors healthy

Health Savings Accounts:

- Allow individuals to set aside Tax-Free Savings for lifetime health care needs
- Savings are portable, from job-to-job and into retirement
- Contributions can be made by individuals, employers and family members
- Allow annual Tax Deductible Contributions of up to \$2,600 for singles and \$5,150 for families
- Individuals age 55 and older can make catch-up contributions of up to \$1,000
- Savings can be used for qualified medical expenses, including retiree health insurance premiums, Medicare expenses, prescription drugs, long-term care services and insurance